

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1775 - SB 1981

April 3, 2009

SUMMARY OF BILL: Creates the Tennessee Board of Court Reporting and requires court reporters to be licensed. The Board is administratively attached to the Administrative Office of the Courts (AOC). The seven-member board will have the responsibility to issue, suspend, revoke, and reinstate licenses, establish and maintain ethical standards for court reporters, establish a complaint process, set and collect fees for licenses, maintain a current registry and a complete record of all proceedings, adopt continuing education requirements by October 1, 2010, and administer licensing examinations. After January 1, 2010, a person who practices court reporting without a license or knowingly files false information to the Board to obtain a license shall be subject to a civil fine not exceeding \$1,000. Each day's violation is a separate offense. Prohibits a licensed court reporter from authorizing the use of the reporter's license number on a transcript that was not produced by the reporter. Violation may be grounds for license suspension or revocation. Requires the Board to enter into reciprocal agreements with any state, agency, or other entity that licenses, certifies, or registers court reporters. The Board shall establish fees appropriate for processing reciprocal licensing. Requires all moneys collected to be deposited in the Tennessee Board of Court Reporting Fund and to be used to defray expenses incurred in the implementation and enforcement of this act. Requires the Board to meet at least twice annually. Members shall receive travel expenses. Court reporters practicing on July 1, 2009, who provide an affidavit with prior education and work experience as a court reporter, are grandfathered into the licensing process without examination. Funds do not revert to the general fund at the end of the fiscal year but carry forward until expended. Authorizes the Board to contract for various services subject to approval by the Comptroller of the Treasury and the Commissioner of Finance and Administration.

ESTIMATED FISCAL IMPACT:

**Increase State Revenue - \$285,000/FY09-10/Tennessee Board of
Court Reporting Fund
\$259,200/Biennially Beginning
FY11-12/Tennessee Board of Court
Reporting Fund**

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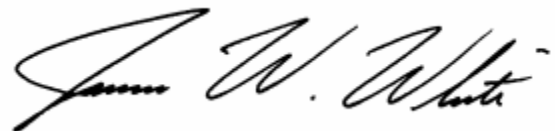
**Increase State Expenditures - \$26,000/One-Time/Tennessee
Board of Court Reporting Fund
\$129,500/Recurring/Tennessee
Board of Court Reporting Fund**

Assumptions:

- Two additional positions would be required at a recurring cost of \$129,540 reflecting salaries (\$72,520) plus benefits (\$22,520), travel (\$5,000), office lease (\$4,500), and legal resources, investigations, testing materials and equipment (\$25,000) to carry out the responsibilities of the new board. One-time costs for office setup at a cost of \$26,000 reflecting computer costs (\$5,000), office furnishings (\$10,000), forms (\$1,000), and computer programming (\$10,000).
- Initial license fees and renewal fees will be set at a rate to cover operational expenses. Estimated 600 initial applicants. In order to be self-supporting, the initial fees will have to be set at \$475 to generate revenue of \$285,000 (\$475 x 600 applicants). The one-time revenue will cover the operational costs of the first two years and the one-time expenditures. Licenses are valid for two years.
- In order to be self-supporting, the biennial renewal fees would have to be set at \$432 to generate revenue of \$259,200 (\$432 x 600 applicants).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/lsc